

May 14, 1965

## CONGRESSIONAL RECORD — SENATE

10183

of U.S. Government agencies, foreign ship-owners, U.S. grain interests, and the Soviets themselves all cooperated to keep cargoes for U.S. ships at a minimum.

Why should it be so difficult to carry out a straightforward Presidential commitment on giving to U.S. ships a fair share of U.S. cargoes. Is it a lack of patriotism on the part of the people involved? We doubt it. It is simply that the U.S. merchant marine is a stepchild—except in time of emergency.

For this we have paid heavily in the past—not only in billions of dollars but in thousands of lives. And it is not only in war that we pay the price of our indifference to the meaning of a strong U.S. merchant marine. We pay every day in many ways.

You will note in the foregoing article that the Soviets are keenly aware of what a strong merchant marine can mean to them in terms of income, a favorable trade balance, international prestige and preparedness. Such awareness and concern are sadly lacking among most of our own Government officials and the majority of our own people. Which is our reason for reprinting this article.

Let me cite just one more item to demonstrate the shortcomings of our national attitude and what this leads us into:

There is more U.S.-owned ship tonnage operating under Liberian, Panamanian, and Honduran flags than there is under our own flag.

These are what we call runaway-flag ships. They are also known as flag of convenience ships. And note this: The U.S. Government has given its blessing to this kind of runaway operation, through something officially known as the effective control policy. American seamen have another couple of words for it.

According to the effective control policy, ships under Liberian, Panamanian, Honduran, and certain other foreign flags, can be regarded as part of the U.S. merchant marine for defense purposes, provided only that the American owners sign a piece of paper stating that their ships will be available to the Government when requested.

Anyone who knows ships and history knows how phony a position this is. It is ridiculous for our great Nation to have a policy of relying for an important part of our national maritime strength on ships sailing under foreign flags in foreign waters and manned by seamen of other countries who owe no loyalty to the United States—simply because the owners, sitting at their desks, have signed a piece of paper stating that they will be available.

The effective control theory is a fraud which will put us on the verge of disaster if it is ever tested. It is a fraud from which nobody profits except the owners of the runaway flag vessels, who include some of our richest and most illustrious corporations—the largest oil companies, steel and aluminum producers, and others.

The owners profit from runaway flag operation because they are free from any direct taxes on their vessel operation, they are free from U.S. labor standards and can pick up the cheapest available crews anywhere in the world without security controls of any kind, they are free from many other cost items that go with operation under U.S. flag.

The owners gain hundreds of millions of dollars through this operation. The United States loses that and much more—lost taxes, lost wages of American seamen and other maritime workers, lost income for the industries which support U.S.-flag shipping, and further damage to our international balance of payments.

There is also a loss of national dignity and stature in these ships—which should be showing proudly the Stars and Stripes—slinking around under false colors with abused and exploited crews.

Why does the United States encourage this kind of operation? The most common explanation given by Government spokesmen and the runaway shipowners is that, unless these ships are operated under foreign flags, our Government would have to subsidize them.

It is difficult to see how these corporations could make a case for Government subsidies for the vessels which serve their gigantic enterprises. But even if they could, no conceivable subsidy could match what our country now loses, in terms of dollars and cents alone, through the operation of their vessels under foreign flags. And far more important, is the loss to our country in terms in terms of security and prestige.

A strange thing about the foregoing article is that the Soviets apparently meant it for the purpose of allaying whatever concern has been shown here over the rapid building of their merchant fleet. They want us not to worry. Their belief that such an article would serve that purpose, is an indication of how confident the Soviet officials are that Americans will continue to be indifferent to their own national self-interest and pride where the merchant marine is concerned.

Their approach in this is strangely like the propaganda which has been put out here by the American Committee for Flags of Necessity, which is the powerful lobbying and public relations machine set up by the biggest owners of runaway flag ships.

In the slickness of the publication (the Soviet article was published in full color) and in the lack of respect for American intelligence, the technique of the Soviets and the "Flags of Necessity" people is remarkably alike.

The Russian officials blithely give assurances to Americans that they have no desire to invade the world shipping market and have no crafty objectives. And they expect Americans to overlook the obvious power and drive of their merchant marine program, which goes far beyond any normal requirements of their foreign commerce.

In the same way, in their publications, the Americans who make up the Flags of Necessity Committee blithely assure their fellow Americans that the giant fleet which they operate under runaway flags for greater profits, actually is a national asset. And they expect Americans to overlook the obvious loss to our own economy, prestige, and security in having American ships sailing under runaway flags, manned by exploited crews, carrying materials which are the lifeblood of American industry.

The runaway operators blithely state our Government has effective control over their ships. And they expect Americans to take their word for it. The fact is our control over these foreign vessels can be counted on to about the same degree as we can control any other foreign vessels—including the Soviet.

Nobody can blame the Soviets for seeking to promote their economic and political interests by launching more and more passenger ships, bulk carriers, and freighters to serve their purposes in all parts of the world.

Rather, Americans should look to our merchant marine and recognize how it should serve to promote our own economic and political interests and is failing to do so because there is so much negative and destructive thinking about our merchant marine among Americans.

We are a nation with some 11,000 miles of seacoast, on every side of us. We are the greatest producer of goods in the world, with our production increasingly dependent on raw materials brought in from overseas. We are the leader of the free world in a period of grave international tensions which show no sign of easing.

Yet ours is no better than fifth, and probably sixth, among the merchant marines of

the world. We have fewer ships in action today than we had in 1939, despite the tremendous increase in our foreign commerce and our international responsibilities since that time.

It is not fear of the Soviets that should impel us to act to restore our American-flag merchant marine. We should do so out of a sense of positive national purpose, decent self-interest and national pride. And we had better do it fast.

## SUMMARY OF MEDICARE TESTIMONY, MAY 14

Mr. HARTKE. In the course of its progress through the list of 81 scheduled witnesses testifying before the Finance Committee on the medicare bill, today's session heard five more representatives of interested organizations. I ask unanimous consent that an unofficial summary of that testimony may appear in the CONGRESSIONAL RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

## (SUMMARY OF TESTIMONY)

## AMERICAN ASSOCIATION OF RETIRED PERSONS AND NATIONAL RETIRED TEACHERS ASSOCIATION

(William C. Fitch, executive director)

The combined membership of the associations totals almost 1 million individuals 55 years of age and older.

1. Support the bill as meeting most of long-term aims of these associations.

2. Urge choice of carriers and plans under supplementary benefits, similar to that of the civil service retired employees.

3. The section on medical expense deduction should eliminate the 3-percent limitation, which is giving with one hand and taking away with the other.

4. The bill should provide benefits for all over 72, rather than requiring three-quarters of coverage at that age. Many have had no opportunity to qualify. This (the 1964 Byrnes proposal) is actuarially feasible and has precedent in the 1935 Railroad Retirement Act.

5. Since the last adjustment in 1958, living costs have risen 9 percent and medical care costs 20 percent. The 7-percent general increase with \$4 minimum should be increased to 10 percent with \$6 minimum.

6. Earnings up to \$1,500 should be permitted without reduction in benefits.

7. Amendment should enable the aged divorced woman or aged widow to continue to receive benefits based upon her former husband's earning record even though she remarries, if the result is loss in her income.

## AMERICAN PUBLIC WELFARE ASSOCIATION

(Charles I. Schottland, dean, social welfare graduate school, Brandeis University; former HEW Commissioner of Social Security; member, association's committee on public welfare policy)

1. Express our general agreement with the major features. Has long supported the social security approach.

2. Oppose deductibles as a barrier to early hospitalization.

3. Charges for the services of radiologists, anesthesiologists, pathologists, and physiatrists should be included under the hospital insurance plan.

4. Strongly support the proposed unification of all medical assistance under the new title XIX as a far-reaching improvement.

5. States should be given the option of including coverage in their plans for medically needy persons who do not happen to meet the special requirements for classification under any of the public assistance categories \* \* \* who do not have the tie-in

10184

## CONGRESSIONAL RECORD — SENATE

May 14, 1965

with a category, but who meet the same test of need.

6. Method of State financing for public assistance medical programs should not include prohibition against local financial participation; in any case, it should not be mandatory until 1970 because it will require in some States a great deal of internal rearranging.

7. Federal participation should be provided at 75 percent for training personnel needed for effective administration of medical assistance program.

8. Strongly endorse increased grant authorization to States for material, child health and crippled children's services as proposed. Authorization for child welfare services should be in equal amount as for these two.

9. Recommend improvement of Federal participation in welfare programs for Puerto Rico, Virgin Islands, and Guam, above that provided.

10. Support a further upward adjustment in level of benefits under OASDI.

## AMERICAN FOUNDATION FOR THE BLIND

(Irvin P. Schloss, legislative analyst, representing also American Association of Workers for the Blind)

1. Disability beneficiaries should be included for health care benefits; need is as acute as for the aged.

2. Propose three amendments to improve services for crippled children, including change of program name to meet present broader scope description. Program for children's eye care service by physicians should be expanded.

3. States should have privilege of designating administrative structure without Federal restriction, to suit their own conditions best.

4. Disability insurance program should incorporate S. 1787 provisions, to spur rehabilitation of the blind, by providing disability benefits for six quarters of covered employment.

## AMERICAN OPTOMETRIC ASSOCIATION

(W. Judd Chapman, O.D., Tallahassee, Fla., immediate past president, comprised of State associations representing most of the country's 17,000 practicing optometrists)

1. Bill is not consistent, specifically providing for optometrists in some sections but not clearly in others. Offers an amendment providing that where the bill authorizes payment for services an optometrist is licensed to perform, beneficiary may choose either a physician skilled in diseases of the eye or an optometrist. This amendment adds nothing to the program nor does it take from it. It simply recognizes the \* \* \* concept of an individual's freedom.

2. Proposes amendment of section 532 to make possible grants to schools of optometry equally with schools of medicine and dentistry.

## AMERICAN PARENTS' COMMITTEE, INC.

(Barbara D. McGarry, executive director)  
Specifically supports title IV increase in aid for dependent children; title II, increase in maternal and child health services; increase in crippled children's services; training of professional personnel for crippled children; payment for inpatient hospital services (sec. 204); special project grants for health of school and preschool children; implementation of mental retardation planning.

## VOTING RIGHTS ACT OF 1965

The PRESIDING OFFICER. The hour of 12:30 having arrived, the Chair lays before the Senate the unfinished business, which will be read by title.

The LEGISLATIVE CLERK. A bill (S. 1564) to enforce the 15th amendment to the Constitution of the United States.

The Senate resumed the consideration of the bill.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute.

I suggest the absence of a quorum, on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to withdraw the order for the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I yield 2 minutes to the distinguished Senator from Idaho.

## L.B.J. ON VIETNAM

Mr. CHURCH. Mr. President, yesterday, President Johnson gave an excellent speech on Vietnam to the Association of American Editorial Cartoonists. In this speech he stressed the fact that the United States would remain firm in its commitment to the Saigon Government, in which I strongly support him.

Second, he emphasized the need for a political settlement, saying:

The second face of war in Vietnam is the quest for a political solution—the face of diplomacy and politics, of the ambitions and interests of other nations.

We know, as our adversaries should also know, that there is no purely military solution in sight for either side. We are ready for unconditional discussions.

In regard to this position, for a year now, I have continually spoken up for a recognition that no military decision can be reached on either side in Vietnam, and that a political settlement of the struggle would serve the best interests of this country and the other countries concerned.

Third, President Johnson reaffirmed his prior offer to help in the development of southeast Asia, including the creation of an Asian development bank. In this wise concentration on the need for economic development, I again strongly commend the President of the United States.

President Johnson correctly pointed out in his speech that the only country which has anything to gain by a continuation of the war in Vietnam is Communist China. Neither North Vietnam, nor South Vietnam, nor the United States, stands to benefit from a continuing war in southeast Asia.

I ask unanimous consent to have a congratulatory editorial on the President's speech from the May 14 issue of the New York Times inserted at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

## TO H.C.M. FROM L.B.J.

President Johnson's speech on Vietnam yesterday could not have been more clearly addressed to Hanoi if it had been marked "attention Ho Chi Minh." It was an effort worth making even if it remains unanswered at present. For the mere attempt to talk

intelligently at, if unfortunately not to, the adversary forces the formulation of ideas in a new and useful way.

In an administration that has generally emphasized the military approach, it is important that the President is now stressing—as many critics of administration policies have long insisted—that there is no purely military solution in sight for either side. In his remarks yesterday, there was no unrealistic talk of victory or winning the war as there often has been in the words of his advisers.

The purpose to which he intends devoting unlimited resources, Mr. Johnson indicates, is that of denying victory to the other side while seeking a negotiated settlement. This is a policy that is welcome and needs even more explicit clarification at a time when—after denials that any such decision had been made—additional American troops in large numbers are being sent to South Vietnam. At 46,500, the number of American troops there now is well over three times the pre-Johnson level.

The President yesterday drew a useful distinction between Hanoi and the Vietcong guerrillas, which seek the fulfillment of Vietnamese nationalism, and Communist China, which seeks domination over all of Asia including, he implied, Vietnam. And, in a tone new to Washington, Mr. Johnson observed that many of the individual fighting men we must now, sadly, call the enemy, are trying to shatter the old ways which have imprisoned hope and to reach for the material fruits from the tree of modern knowledge. He urged Hanoi to pursue its own interests by coming to the conference table, freeing itself from the control of a China that wants to continue the war irrespective of the cost to China's allies.

It is in this context that the President has now indicated for the first time that once peace is restored, all forms of American aid—not just the fruits of a projected Mekong Valley development that might not touch North Vietnam directly—will be available to all the people of Vietnam, north and south alike. The wise decision to help found an Asian Development Bank with, it is hoped, the backing of all industrialized nations including the Soviet Union, has evidently been taken on the recommendation of Eugene Black. It should open the way for the kinds of soft loans and long-term multilateral development aid needed in Asia's special circumstances, with which present American and United Nations machinery is unable to cope.

The President wields the country's vast influence most effectively when he voices, as he did yesterday, its desire to explore every possible path to peace. If he will but continue now to pursue honorable negotiations with the vigor and persistence he has applied to military measures, he will be on the road that is most likely to lead to the honorable settlement he and the American people clearly want.

## VOTING RIGHTS ACT OF 1965

The Senate resumed the consideration of the bill (S. 1564) to enforce the 15th amendment to the Constitution of the United States.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, out of my time.

The PRESIDING OFFICER. Out of the Senator's time.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.